

SECRET

1 July 1942

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Gentlemen:

This letter is a memorandum of our agreement as of the above date concerning your undertaking certain research and development in connection with printing ink.

You are to proceed with this work in accordance with our instructions, forwarding to us such results and progress and final reports as we may require. During the continuance of the work hereunder you will deliver at our direction all material developed pursuant to this letter. Upon termination of this agreement you will deliver at our direction all other material or equipment for which we have reimbursed you hereunder. With respect to the latter, however, it is understood that at the termination hereof you shall have the option to retain same upon reasonable terms crediting our final account in the amount then agreed upon. You are not to disclose any information concerning this work to any person other than employees directly engaged thereon.

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Upon receipt of your monthly invoice, which shall be billed to  we shall promptly pay to you an amount totalling:

(a) Salaries and wages of your employees when directly engaged in working hereunder, plus Federal and State Social Security taxes paid thereon, and including per diem rates not to exceed thirty-five dollars (\$35.00) for 

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(b) A proportionate share of your currently audited actual overhead costs, such share not to exceed 100 percent of (a) excluding taxes, to cover all overhead costs;

(c) The actual cost to you of all equipment and materials purchased for use in performing this work; and

(d) The actual transportation expenses of persons directly engaged in the work plus an allowance of eight dollars (\$8.00) per person for each calendar day or major portion thereof, during such periods of travel, in lieu of the actual subsistence expenses of such persons.

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This work is to occupy no more than an average of two days per month and is to continue until 30 June 1950, or a prior date of which we shall have given you fourteen (14) days notice. Your maximum claims for reimbursement under this agreement will not exceed five thousand dollars (\$5,000.00), and you shall have the right to stop work hereunder if and when (a) this amount has been incurred or obligated by you, and (b) upon your so advising us, we do not promptly agree to make additional funds available.

Please indicate below your acceptance of this agreement as of the date hereof returning the attached duplicate original to us.

Very truly yours,

CENTRAL INTELLIGENCE AGENCY

BY: _____
Contracting Officer

ACCEPTED:

BY: _____

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